

POLICE & FIRE PENSION INVESTMENT BOARD

OCTOBER 29, 2004

Members present: Don Taute- Personnel Director
Don Herz – Finance Director
Randall Case – Fire Captain
Mark Meyerson – Police Sergeant
Greg Sorensen – Police Sergeant
Michael Donnelly - Vice President and Regional Director of Wells Fargo Bank, Nebraska Institutional Trust and Investment Services group.
Gerry Finnegan – Independent Financial Planner

Members absent: Mark Westphalen – Edward Jones Co. registered representative
Brad Thavenet – Fire Fighter

Personnel Dept.
Resource Staff: John Cripe – Compensation Manager
Paul Lutomski – Police and Fire Pension Officer

Others present: Max Callan – Smith Hayes Financial Services Investment Consultant

The meeting began at 2:00 p.m.

Don Taute stated that according to the ordinance establishing the board, five of nine members is a quorum and that the board shall elect a Chairperson and Secretary biennially and should consider to begin to work toward establishment of an investment policy and rules of procedure including a process to call special meetings and authorization for administration to deal with investment issues between Board meetings. Paul Lutomski will take synopsis meeting minutes and present them to the Board for approval/editing and final posting to the internet. Audio tapes of the meetings will be kept for one year past the meeting date.

The Board discussed that a sub-committee could be used to investigate items that would be later brought to the full Board for discussion and vote.

Greg Sorensen made a motion to nominate Mark Meyerson as Chairperson as Mark has been on the prior Advisory Committee and Don Taute as Vice Chair and Michael Donnelly seconded the motion. Motion carried unanimously.

Greg Sorensen made a motion to nominate Randall Case as Secretary and Gerry Finnegan seconded the motion. Motion carried unanimously.

Gerry Finnegan made a motion to temporarily adopt the draft investment policy presented to the committee as the Board's Investment Policy and Greg Sorensen seconded the motion.

Discussion clarified that a policy is needed now for operation of the pension and a subcommittee was appointed to review the existing draft policy, make suggested changes and bring a revised policy to the full board in January for discussion. Motion carried unanimously.

Gerry Finnegan expressed a concern that only active managers are used for investments rather than a mixture of active managers and index funds. The Board decided to discuss this issue at the January meeting in conjunction with Smith Hayes' recommendations of specific investments to fill each asset allocation percentage.

The Board discussed the composition of the subcommittee to develop a new investment policy. Michael Donnelly moved that the subcommittee be composed of Gerry Finnegan, Don Herz, Brad Thavenet and himself. Paul Lutomski will serve as a staff resource. Mark Meyerson seconded the motion and the motion carried unanimously. The subcommittee will prepare a revised draft investment policy to present to the full Board in January 2005.

Gerry Finnegan moved to temporarily adopt Robert's Rules of Order as the Board's rules of procedure. Don Taute seconded the motion and the motion carried unanimously.

The meeting adjourned at 2:43 p.m.